

Senate File 354 - Introduced

SENATE FILE 354

BY SCHOENJAHN

A BILL FOR

1 An Act relating to the fee for new registration for repaired
2 salvage vehicles.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.105A, subsection 2, paragraph c,
2 subparagraph (17), Code 2015, is amended by striking the
3 subparagraph and inserting in lieu thereof the following:

4 (17) Vehicles titled under a salvage certificate of
5 title. However, when such a vehicle has been repaired and
6 a regular certificate of title is applied for, the fee for
7 new registration is due. If the owner of the vehicle is
8 not licensed as a motor vehicle dealer, the fee for new
9 registration shall be equal to two percent of the value of
10 the vehicle as determined by the department, with deductions
11 allowed for the cost of parts, supplies, and equipment for
12 which sales tax was paid and which were used to rebuild
13 the vehicle. The department shall adopt rules to determine
14 how such deductions shall be documented. The fee for new
15 registration pursuant to this subparagraph (17) shall be
16 automatically reduced in the following amounts, as applicable:

17 (a) If the motor vehicle is seven model years old or older,
18 but newer than nine model years old, one-fourth of one percent
19 of the value of the vehicle as determined by the department.

20 (b) If the motor vehicle is nine model years old or older,
21 but newer than twelve model years old, three-fourths of one
22 percent of the value of the vehicle as determined by the
23 department.

24 (c) If the motor vehicle is twelve model years old or
25 older, one and one-half percent of the value of the vehicle as
26 determined by the department.

27 EXPLANATION

28 The inclusion of this explanation does not constitute agreement with
29 the explanation's substance by the members of the general assembly.

30 Current law provides that a vehicle titled under a
31 salvage certificate of title is exempt from the fee for new
32 registration until the vehicle is repaired and a regular
33 certificate of title is applied for. If the owner of the
34 vehicle is a licensed recycler, but not licensed as a vehicle
35 dealer, the fee for new registration applies based on the fair

1 market value of the vehicle, with deduction allowed for the
2 cost of parts, supplies, and equipment for which sales tax
3 was paid and which were used to rebuild the vehicle. If the
4 owner is a person who is not licensed as a recycler or vehicle
5 dealer, the fee for new registration applies based on the fair
6 market value of the vehicle, with deduction allowed for the
7 cost of parts, frames, chassis, auto bodies, or supplies that
8 were purchased to rebuild the vehicle and for which sales tax
9 was paid.

10 The bill strikes these provisions but continues to provide
11 that a vehicle titled under a salvage certificate of title is
12 exempt from the fee for new registration until the vehicle is
13 repaired and a regular certificate of title is applied for.

14 The bill provides that if the owner of the vehicle is
15 not licensed as a motor vehicle dealer, the fee for new
16 registration shall be equal to 2 percent of the value of
17 the vehicle as determined by the department, with deductions
18 allowed for the cost of parts, supplies, and equipment for
19 which sales tax was paid and which were used to rebuild
20 the vehicle. The bill provides that the department of
21 transportation shall adopt rules to determine how such
22 deductions shall be documented.

23 The bill provides that the fee for new registration shall be
24 automatically reduced in certain circumstances. If the motor
25 vehicle is seven model years old or older, but newer than nine
26 model years old, the fee for new registration is reduced 0.25
27 percent of the value of the vehicle. If the motor vehicle is
28 nine model years old or older, but newer than 12 model years
29 old, the fee for new registration is reduced 0.75 percent of
30 the value of the vehicle. If the motor vehicle is 12 model
31 years old or older, the fee for new registration is reduced 1.5
32 percent of the value of the vehicle.